

**Delta Community Action Association, Inc.  
Tallulah, Louisiana**

**Financial Statements**

**As of and for the Years Ended June 30, 2010 and 2009  
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/16/11

Delta Community Action Association, Inc.  
Tallulah, Louisiana

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## Independent Auditor's Report

To the Board of Directors  
Delta Community Action Association, Inc.  
Tallulah, Louisiana

We have audited the accompanying statements of financial position of Delta Community Action Association, Inc. (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Delta Community Action Association, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.


In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Community Action Association, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2010, on our consideration of Delta Community Action Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Delta Community Action Association, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying supplemental combining schedules on pages 11 and 12 are presented for the purpose of additional analysis and are not a required part of the financial statements of Delta Community Action Association, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying supplemental schedules, listed as "Supplemental Information Schedules Prepared For Grants and Contracts Analysis" in the table of contents, and shown on pages 14 – 15, are presented for the purpose of providing various funding sources of Delta Community Action Association, Inc. additional individual grant and contract analysis and are not a required part of the financial statements. The information is prepared on a prescribed basis of the various funding sources of Delta Community Action Association, Inc., and certain schedules are for periods other than Delta Community Action Association, Inc.'s audit year. These schedules are not presented in accordance with generally accepted accounting principles. Accordingly, these schedules are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion; they are fairly stated on the basis of accounting practices prescribed by the various funding sources.



Cook & Morehart  
Certified Public Accountants  
December 20, 2010

Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Statements of Financial Position  
June 30, 2010 and 2009

Assets	2010	2009
Current assets:		
Cash	\$ 305,573	\$ 225,201
Grant receivables	236,554	409,585
Due from other funds	18,895	21,345
Total current assets	<u>561,022</u>	<u>656,131</u>
Property and Equipment:		
Property and equipment	2,397,058	2,313,548
Accumulated depreciation	(1,644,889)	(1,420,201)
Total property and equipment	<u>752,169</u>	<u>893,347</u>
<b>Total Assets</b>	<b><u>\$ 1,313,191</u></b>	<b><u>\$ 1,549,478</u></b>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 275,153	\$ 356,469
Accrued liabilities	55,176	77,334
Due to other funds	18,895	21,345
Refundable advances	16,782	25,505
Total current liabilities	<u>368,006</u>	<u>480,653</u>
Net assets:		
Unrestricted:		
Operating	144,820	148,483
Designated	48,196	26,995
Fixed assets	752,169	893,347
Total net assets	<u>945,185</u>	<u>1,068,825</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 1,313,191</u></b>	<b><u>\$ 1,549,478</u></b>

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Statements of Activities  
For the Years Ended June 30, 2010 and 2009

	Unrestricted	
	2010	2009
<b>Revenues and Other Support:</b>		
Contractual revenue - grants	\$ 5,420,994	\$ 4,925,173
Miscellaneous revenues	15,268	222
<b>Total revenues and other support</b>	<b>5,436,262</b>	<b>4,925,395</b>
<b>Expenses:</b>		
Head Start and Early Head Start program	3,339,096	3,118,221
Child care food program	324,723	286,286
Community services block grant	336,701	187,649
Home energy assistance	450,835	420,648
Family day care services	933,229	903,171
Delta recovery program	146,116	137,742
General services	29,202	31,877
<b>Total expenses</b>	<b>5,559,902</b>	<b>5,085,594</b>
<b>Changes in net assets</b>	<b>(123,640)</b>	<b>(160,199)</b>
<b>Net assets as of beginning of year</b>	<b>1,068,825</b>	<b>1,229,024</b>
<b>Net assets as of end of year</b>	<b>\$ 945,185</b>	<b>\$ 1,068,825</b>

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Statements of Cash Flows  
For the Years Ended June 30, 2010 and 2009

	2010	2009
Operating activities		
Changes in net assets	\$ (123,640)	\$ (160,199)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	239,823	258,046
Donated land	(15,000)	
(Increase) decrease in operating assets:		
Grant receivables	173,031	95,818
Increase (decrease) in operating liabilities:		
Accounts payable	(44,526)	(102,552)
Accrued liabilities	(22,158)	21,483
Refundable advances	(6,723)	8,745
Net cash provided by operating activities	<u>200,807</u>	<u>121,341</u>
Investing activities		
Payments for property and equipment	<u>(72,600)</u>	<u>(46,137)</u>
Net cash used in investing activities	<u>(72,600)</u>	<u>(46,137)</u>
Financing activities		
Payment of short-term trade account used to finance equipment acquisition	<u>(47,835)</u>	
Net cash used in financing activities	<u>(47,835)</u>	
Net increase (decrease) in cash	80,372	75,204
Cash as of beginning of year	<u>225,201</u>	<u>149,997</u>
Cash as of end of year	<u>\$ 305,573</u>	<u>\$ 225,201</u>
Supplemental disclosure		
Non-cash investing and financing activities:		
Acquisition of equipment		
Cost of equipment	\$ 83,645	\$ 93,972
Trade account payable	<u>(11,045)</u>	<u>(47,835)</u>
Cash down payment for equipment	<u>\$ 72,600</u>	<u>\$ 46,137</u>

The accompanying notes are an integral part of this statement.

Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Notes to Financial Statements  
June 30, 2010 and 2009

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Delta Community Action Association, Inc. (Delta) is a private non-profit corporation incorporated under the laws of the State of Louisiana. A Board of Directors composed of 15 members governs Delta. Delta operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in various parishes in Louisiana that Delta serves. The following programs, with their approximate percentage of total revenues indicated, are administered by Delta:

**Head Start and Early Head Start Program (59%)** – Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided by federal funds from the U.S. Department of Health and Human Services.

**Child Care Food Program (6%)** – Provides a food service program in coordination with the Head Start Program. Funding is provided by federal funds from USDA passed through the Louisiana Department of Education.

**Community Services Block Grant (6%)** – Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Department of Labor.

**Home Energy Assistance (9%)** – Assists low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Association of Community Action Partnerships, Inc.

**Family Day Care Services (17%)** – Provides a food service program for children in private nonprofit centers of approximately 174 homes. Financing is provided by federal funds passed through the Louisiana Department of Education.

**Delta Recovery Program (3%)** – Provides substance abuse treatment and education for eligible participants. Funding is provided by federal funds passed through the Louisiana Department of Health and Hospitals, Division of Alcohol and Drug Abuse.

B. Basis of Accounting

The financial statements of Delta have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Tax Status

Delta is a non-profit corporation and is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Delta's tax-exempt purpose would be subject to taxation as unrelated business income. There was no unrelated business income for the years ended June 30, 2010 and 2009.

(Continued)



Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Notes to Financial Statements  
June 30, 2010 and 2009  
(Continued)

**E. Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

**F. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, Delta considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**G. Property and Equipment**

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations.

**H. Revenue and Support**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**(2) Concentrations of Credit Risk**

Financial instruments that potentially subject Delta to concentrations of credit risk consist principally of temporary cash investments and grant receivables.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of June 30, 2010 and 2009, Delta had no significant concentrations of credit risk in relation to grant receivables.

Delta maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2010 total cash balances held at financial institutions was \$559,908. Of this amount, \$436,103 was secured by FDIC, and the remaining \$133,805 was uncollateralized. At June 30, 2009 total cash balances held at financial institutions was \$316,252. The entire amount held at the financial institutions was secured by FDIC insurance.

(Continued)

Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Notes to Financial Statements  
June 30, 2010 and 2009  
(Continued)

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at June 30, 2010 and 2009, but received after those dates.

(4) Due To and Due From Other Funds

The following schedule represents amounts due to and due from other funds at June 30, 2010:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Services	\$ 18,895	\$ -
Family Day Care Home Program	-	18,895
	<u>\$ 18,895</u>	<u>\$ 18,895</u>

The following schedule represents amounts due to and due from other funds at June 30, 2009:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Services	\$ 21,345	\$ -
Family Day Care Home Program	-	21,345
	<u>\$ 21,345</u>	<u>\$ 21,345</u>

(Continued)

Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Notes to Financial Statements  
June 30, 2010 and 2009  
(Continued)

(5) **Property and Equipment**

Property and equipment consisted of the following at June 30, 2010:

	<u>Estimated Depreciable Life</u>	<u>Purchased With Federal Funds</u>	<u>Purchased With Non-Federal Funds</u>	<u>Total</u>
Land	N/A	\$	\$ 15,000	\$ 15,000
Buildings	7-20 years	421,273	—	421,273
Leasehold improvement	7-20 years	163,750	—	163,750
Furniture and equipment	5-10 years	573,053	—	573,053
Vehicles	5 years	1,069,108	—	1,069,108
Assets not in operation		154,874	—	154,874
Accumulated depreciation		<u>(1,644,889)</u>	<u>—</u>	<u>(1,644,889)</u>
Net investment in property and equipment		<u>\$ 737,169</u>	<u>\$ 15,000</u>	<u>\$ 752,169</u>

Depreciation expense for the year ended June 30, 2010 was \$239,823.

Property and equipment consisted of the following at June 30, 2009:

	<u>Estimated Depreciable Life</u>	<u>Purchased With Federal Funds</u>	<u>Purchased With Non-Federal Funds</u>	<u>Total</u>
Buildings	7-20 years	\$ 426,316	\$ —	\$ 426,316
Leasehold improvement	7-20 years	163,750	—	163,750
Furniture and equipment	5-10 years	525,385	749	526,134
Vehicles	5 years	1,160,073	—	1,160,073
Vehicles not in operation		37,275	—	37,275
Accumulated depreciation		<u>(1,419,452)</u>	<u>( 749)</u>	<u>(1,420,201)</u>
Net investment in property and equipment		<u>\$ 893,347</u>	<u>\$ —</u>	<u>\$ 893,347</u>

Depreciation expense for the year ended June 30, 2009 was \$ 258,046.

(6) **Refundable Advances**

Delta records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

(7) **Contractual Revenue – Grants**

During the years ended June 30, 2010 and 2009, Delta received contractual revenue from federal and state grants in the amount of \$5,420,994 and \$4,925,173, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(Continued)

Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Notes to Financial Statements  
June 30, 2010 and 2009  
(Continued)

(8) Retirement Plan

Delta participates in a tax deferred annuity plan whereby an amount equal to 5% of the salary of eligible employees is contributed to purchase annuity contracts with an insurance company. The annuities are in the employee's name upon funding. The amount contributed for the years ended June 30, 2010 and 2009 was \$59,863 and \$53,012, respectively.

(9) Accrued Liabilities

Accrued liabilities consisted of the following:

	2010	2009
Accrued leave payable	\$ 47,127	\$ 45,843
Payroll taxes payable	8,049	31,491
	<u>\$ 55,176</u>	<u>\$ 77,334</u>

(10) Leases

Delta leases certain buildings and equipment under operating leases. Rental costs on those leases for the years ended June 30, 2010 and 2009 were as follows:

	2010	2009
Buildings	\$ 55,204	\$ 52,804
Equipment	15,204	17,744
	<u>\$ 70,408</u>	<u>\$ 70,548</u>

Commitments under lease agreements having initial remaining terms in excess of one year are as follows:

For the Year Ending June 30,	
2011	\$ 59,910
2012	20,331
Total minimum future rentals	<u>\$ 80,241</u>

(11) Contingencies

Delta is a defendant in one lawsuit. Management believes that the ultimate resolution of the lawsuits will not have a significant effect on the agency's financial position or results of operations.

(12) Subsequent event

Subsequent events have been evaluated through December 20, 2010, the date the financial statements were available to be issued.

On September 23, 2010, Delta signed a contract to purchase two modular classroom buildings. The total of the contract is approximately \$123,150.

(13) Designated Net Assets

Designated net assets at June 30, 2010 consisted of \$32,031 for use within the Low-Income Home Energy Assistance Program and \$16,165 for use within the Child Care Food Program. Designated net assets at June 30, 2009, consisted of \$26,995 for use within the Child Care Food Program.

Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Combining Schedule of Financial Position  
June 30, 2010

Assets	Child Care						
	Head Start Program	Food Program	Community Services Block Grant	Home Energy Assistance	Family Day Care Services	Delta Recovery Program	General Services
Current assets:							
Cash	\$ 79,941	\$ 17,222	\$ 25,089	\$ 30,495	\$ 8,951	\$ 33,797	\$ 112,078
Grant receivables	93,151			24,222	81,863		27,318
Due from other funds							18,895
Total current assets	<u>173,092</u>	<u>17,222</u>	<u>25,089</u>	<u>54,717</u>	<u>98,814</u>	<u>33,797</u>	<u>158,291</u>
Property and equipment:							
Property and equipment	2,376,955		17,142		2,442	519	
Accumulated depreciation	(1,625,859)		(17,142)		(1,369)	(519)	
Total property & equipment	<u>751,096</u>				<u>1,073</u>		
Total Assets	<u>\$ 924,188</u>	<u>\$ 17,222</u>	<u>\$ 25,089</u>	<u>\$ 54,717</u>	<u>\$ 99,887</u>	<u>\$ 33,797</u>	<u>\$ 158,291</u>
Liabilities and Net Assets							
Current liabilities:							
Accounts payable	\$ 147,358	\$ 1,058	\$ 10,308	\$ 22,685	\$ 78,782	\$ 16,020	\$ 275,153
Accrued liabilities	25,734		12,751		5,958		9,675
Due to other funds					18,895		
Refundable advances			2,030			16,752	
Total current liabilities	<u>173,092</u>	<u>1,058</u>	<u>25,089</u>	<u>22,685</u>	<u>103,635</u>	<u>16,752</u>	<u>25,695</u>
Net assets:							
Unrestricted:							
Operating		16,164			(4,821)	17,045	132,596
Designated				32,032			
Fixed assets	751,096				1,073		
Total net assets	<u>751,096</u>	<u>16,164</u>		<u>32,032</u>	<u>(3,748)</u>	<u>17,045</u>	<u>132,596</u>
Total Liabilities and Net Assets	<u>\$ 924,188</u>	<u>\$ 17,222</u>	<u>\$ 25,089</u>	<u>\$ 54,717</u>	<u>\$ 99,887</u>	<u>\$ 33,797</u>	<u>\$ 158,291</u>
							<u>\$ 1,313,191</u>

Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Combining Schedule of Activities  
For the Year Ended June 30, 2010

	Head Start Program	Child Care Food Program	Community Services Block Grant	Home Energy Assistance	Family Day Care Services	Delta Recovery Program	General Services	Total
<b>Revenues and Other Support:</b>								
Contractual revenue - grants	\$3,182,137	\$313,892	\$336,701	\$482,380	\$ 929,189	\$146,940	\$ 29,755	\$5,420,994
Miscellaneous revenues	15,000						268	15,268
<b>Total revenues and other support</b>	<b>3,197,137</b>	<b>313,892</b>	<b>336,701</b>	<b>482,380</b>	<b>929,189</b>	<b>146,940</b>	<b>30,023</b>	<b>5,436,262</b>
<b>Expenses</b>								
Salaries	1,722,290	163,364	133,047	12,556	95,786	92,238	11,292	2,230,603
Fringe benefits	474,204	53,878	32,055	48	25,298	17,987	1,442	604,912
Travel	16,071	44	1,698		121	6,944	1,893	26,769
Equipment	18,816				1,250			20,066
Occupancy	219,384		8,382		4,047	10,388	4,491	244,692
Telephone and postage	50,162		3,985		8,111	5,754		66,012
Insurance	39,830		31		940	5,537		46,338
Vehicle operation	143,826					320		144,146
Supplies	143,284	122	1,145		1,379	964		146,894
Professional services	99,427		2,700		2,064	5,984	200	110,375
Food and related supplies	136,731	106,808					9,777	253,316
Miscellaneous	35,657	487	10,371	18,998	3,471		107	69,089
Client assistance payments			145,289	419,235	792,343			1,356,867
Depreciation	239,414				409			239,823
<b>Total expenses</b>	<b>3,339,096</b>	<b>324,723</b>	<b>336,701</b>	<b>450,835</b>	<b>833,229</b>	<b>146,116</b>	<b>29,202</b>	<b>5,558,902</b>
<b>Change in net assets</b>	<b>(141,959)</b>	<b>(10,831)</b>		<b>31,545</b>	<b>(4,040)</b>	<b>824</b>	<b>821</b>	<b>(123,640)</b>
<b>Net assets, beginning of year</b>	<b>893,055</b>	<b>26,995</b>		<b>487</b>	<b>292</b>	<b>16,221</b>	<b>131,775</b>	<b>1,068,825</b>
<b>Net assets, end of year</b>	<b>\$ 751,096</b>	<b>\$ 16,164</b>	<b>\$</b>	<b>\$ 32,032</b>	<b>\$ (3,748)</b>	<b>\$ 17,045</b>	<b>\$ 132,596</b>	<b>\$ 945,185</b>

**Supplemental Information Schedules Prepared  
For Grants and Contracts Analysis**

Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Head Start Grant No. 06CH0393/19  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Contract Period: July 1, 2009 to June 30, 2010

	<u>Approved Budget</u>	<u>Actual</u>	<u>COB Balance Current Year</u>
Revenues:			
Amount awarded this budget period	\$ 3,042,072	\$ 3,042,072	
Grantee's contribution	<u>738,424</u>	<u>738,424</u>	
Total revenues	<u>3,780,496</u>	<u>3,780,496</u>	
Expenses:			
Personnel	1,780,485	1,643,541	\$ 136,944
Fringe benefits	585,795	452,572	133,223
Travel	10,000	3,172	6,828
Supplies	79,500	157,486	(77,986)
Other	<u>586,292</u>	<u>784,981</u>	<u>(198,689)</u>
Head Start grant expenses	<u>3,042,072</u>	<u>3,041,752</u>	<u>\$ 320</u>
Grantee's share	<u>738,424</u>	<u>738,424</u>	
Total expenses	<u>\$ 3,780,496</u>	<u>3,780,176</u>	
Revenue over expenses		320	
Fund balance, beginning July 1, 2009		24,224	
Reprogrammed PY 17 fiscal year 6-30-08		<u>(17,353)</u>	
Fund balance, ending June 30, 2010		<u>\$ 7,191</u>	



Delta Community Action Association, Inc.  
 Tallulah, Louisiana  
 Child and Adult Care Food Program  
 Head Start Food Service  
 Louisiana Department of Education  
 Schedule of Revenues and Expenditures  
 For the Contract Period: October 1, 2008 to September 30, 2009

**Revenue:**

Contract revenue	\$ 291,772
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**Expenses:**

Salaries	135,831
Fringe benefit	47,924
Other administrative costs	2,086
Food service costs	100,324

Total expenses	286,165
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Excess revenue (expenses)	5,607
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Fund balance, beginning October 1, 2008	(1,198)
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Fund balance, ending September 30, 2009	\$ 4,409
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Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2010

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Program:			
Head Start (Fy 06-30-10)	93.600	06CH0393/19	\$ 3,041,751
ARRA - Head Start	93.708	06SE0393	95,828
ARRA - Early Head Start	93.709	06SA0393	45,364
Passed through Louisiana Workforce Commission			
Community Services Block Grant	93.569	2008N0038 & 2009N0038	185,583
ARRA - Community Services Block Grant	93.710	2009N0038	149,825
Passed through Louisiana Association of Community Action Partnerships, Inc.			
Home Energy Assistance Program - Energy	93.568	Unknown	450,835
Passed through Louisiana Department of Health and Hospitals, Division of Alcohol and Drug Abuse			
Delta Recovery Center (Fy 06-30-10)	93.559	351647476	146,941
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department of Education			
Child and Adult Care Food Program (Head Start) (Fy 09-30-09)	10.558	Unknown	73,165
Child and Adult Care Food Program (Head Start) (Fy 09-30-10)	10.558	Unknown	251,558
Child and Adult Care Food Program (FDCH) (Fy 09-30-09)	10.558	Unknown	246,010
Child and Adult Care Food Program (FDCH) (Fy 09-30-10)	10.558	Unknown	688,001
<u>U.S. Department of Education</u>			
Passed through Madison Parish School District			
Bright Futures Early Reading First Project	84.359B	Unknown	27,318
Total federal expenditures			\$ 5,402,189

Note 1: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

## COOK & MOREHART

*Certified Public Accountants*

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### Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Board of Directors  
Delta Community Action Association, Inc.  
Tallulah, Louisiana

We have audited the financial statements of Delta Community Action Association, Inc. (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Delta Community Action Association, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Delta Community Action Association, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Delta Community Action Association, Inc.'s internal control over financial reporting.

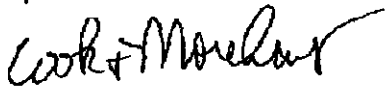
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delta Community Action Association, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a stylized, flowing script.

Cook & Morehart  
Certified Public Accountants  
December 20, 2010

## COOK & MOREHART

*Certified Public Accountants*

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### Independent Auditor's Report on Compliance with Requirements That Could Have A Direct and Material Effect On Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Board of Directors  
Delta Community Action Association, Inc.  
Tallulah, Louisiana

#### Compliance

We have audited Delta Community Action Association, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Delta Community Action Association, Inc.'s major federal programs for the year ended June 30, 2010. Delta Community Action Association, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Delta Community Action Association, Inc.'s management. Our responsibility is to express an opinion on Delta Community Action Association, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Delta Community Action Association, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Delta Community Action Association, Inc.'s compliance with those requirements.

In our opinion, Delta Community Action Association, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

#### Internal Control Over Compliance

Management of Delta Community Action Association, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Delta Community Action Association, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Delta Community Action Association's internal control over compliance.

*A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.*

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, other within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart  
Certified Public Accountants  
December 20, 2010

**Delta Community Action Association, Inc.**  
**Tallulah, Louisiana**  
**Summary Schedule of Prior Audit Findings**  
**June 30, 2009**

There were no findings or questioned costs with regards to federal awards programs for the prior audit period ended June 30, 2009.

**Delta Community Action Association, Inc.**  
**Tallulah, Louisiana**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2010**

**A. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Delta Community Action Association, Inc.
2. No significant deficiencies are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Delta Community Action Association, Inc. were disclosed during the audit.
4. No significant deficiencies are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Delta Community Action Association, Inc. expresses an unqualified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 in this Schedule.
7. The programs tested as major programs included: 1) Head Start Program CFDA #93.600, ARRA – Head Start Program CFDA #93.708, and ARRA – Early Head Start Program CFDA #93.709, 2) Child and Adult Care Food Program (FDCH and Head Start) CFDA #10.558, and 3) Community Services Block Grant CFDA #93.569 and ARRA – Community Services Block Grant CFDA #93.710
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Delta Community Action Association, Inc. does qualify as a low-risk auditee.

**B. Findings – Financial Statements Audit: None**

**C. Findings and Questioned Costs – Major Federal Award Programs Audit: None.**

**Delta Community Action Association, Inc.  
Tallulah, Louisiana  
Schedule of Findings For Louisiana Legislative Auditor  
June 30, 2010**

**There were no findings or management letter comments for the prior year audit period ended June 30, 2009.  
There are no findings or management letter comments for the current year audit period ended June 30, 2010.**